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FPSC - COMMISSION CLERK

State of Florida



## Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

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**DATE:** February 19, 2015

**TO:** Office of Commission Clerk (Stauffer)

**FROM:** Division of Engineering (Hill, King)  
Office of the General Counsel (Crawford, Villafrate) *JSC*

**RE:** Docket No. 140149-WU – Joint application for authority as a matter of right to transfer water facilities to Marion County, and to amend water Certificate No. 427-W, by Windstream Utilities Company.

**AGENDA:** 03/03/15 – Regular Agenda – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** ~~Staff~~ All Commissioners *(CJ) 2-19-15*

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

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### Case Background

Windstream Utilities Company (Windstream or Utility) is a Class B Utility providing water service to approximately 1,270 residential customers in Marion County and no wastewater service. The Utility is within the Southwest Florida Water Management District and is not within a water use caution area, but lawn watering is restricted to twice a week. The Utility's 2013 Annual Report indicates that the Utility had gross operating revenues of \$542,652 and a net operating income of \$14,318.

Docket No. 140149-WU

Date: February 19, 2015

Windstream was originally granted Certificate No. 427-W for its water system in 1982.<sup>1</sup> The Utility has had seven amendments and transfers since it received its certificate. On August 11, 2014, Windstream filed an application for transfer of its Sun Country Estates/Paddock Downs and Majestic Oaks water systems to Marion County.

The purpose of this recommendation is to acknowledge the transfer of Windstream's Sun Country Estates/Paddock Downs and Majestic Oaks water systems to Marion County as a matter of right, and to amend Windstream's Certificate No. 427-W to reflect the deletion of those territories. The Commission has jurisdiction pursuant to Section 367.071, Florida Statutes (F.S.).

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<sup>1</sup> See Order No. 10623, issued February 24, 1982, in Docket No. 810478-W (AP), In re: Application of Sun Country Estates Utility, Inc. for a certificate to operate a utility in Marion County, Florida.

**Issue 1:** Should the transfer of Windstream's Sun Country Estates/Paddock Downs and Majestic Oaks water systems to Marion County be acknowledged as a matter of right, and should Certificate No. 427-W be amended to reflect the deletion of territory?

**Recommendation:** Yes. The transfer of Windstream's Sun Country Estates/Paddock Downs and Majestic Oaks water systems to Marion County should be acknowledged as a matter of right pursuant to Section 367.071(4)(a), F.S. Certificate No. 427-W should be amended to reflect the deletion of the Sun Country Estates/Paddock Downs and Majestic Oaks territories effective July 16, 2014, the effective date of the transfer. A description of the territories being deleted is appended to this recommendation as Attachment A. The resultant order should serve as Windstream's water certificate and should be retained by Windstream. (Hill, Villafrate)

**Staff Analysis:** Windstream filed for a transfer of its Sun Country Estates/Paddock Downs and Majestic Oaks facilities and amendment of Certificate No. 427-W on August 11, 2014. Pursuant to Section 367.071(4)(a), F.S., the sale of facilities to a governmental authority shall be approved as a matter of right. As such, no notice of the transfer is required and no filing fees apply. The application is in compliance with Section 367.071(4)(a), F.S., and Rule 25-30.037(4), Florida Administrative Code (F.A.C.).

On July 15, 2014, the Utility and Marion County executed an Agreement for Purchase and Sale of Water System Assets. A copy of this contract was included in the application. The date that Marion County officially assumed responsibility over the Sun Country Estates/Paddock Downs and Majestic Oaks systems is the effective date of the transfer, July 16, 2014.

The application contains a statement that Marion County has obtained a copy of Windstream's most recent income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction pursuant to Rule 25-30.037(4)(e), F.A.C. The Utility also included a statement indicating that all customer deposits and interest were delivered to the County. In accordance with Rule 25-30.120, F.A.C., the Utility has committed that it will pay the regulatory assessment fees due through the July 16, 2014, transfer date. Windstream Utilities has also filed its annual reports for 2013 and all prior years.

Staff recommends that the transfer of Windstream's Sun Country Estates/Paddock Downs and Majestic Oaks water systems to Marion County should be acknowledged as a matter of right pursuant to Section 367.071(4)(a), F.S., and Certificate No. 427-W should be amended to reflect the territory deletion effective July 16, 2014. A description of the territories deleted as a result of this transfer is appended to this recommendation as Attachment A. The resultant order should serve as Windstream's water certificate and should be retained by the Utility.

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes. If staff's recommendation in Issue 1 is approved, the docket should be closed as no further action is required. (Villafrate)

**Staff Analysis:** If staff's recommendation in Issue 1 is approved, the docket should be closed as no further action is required.

Windstream Utilities of Central Florida, Inc.  
Marion County  
Description of Deleted Water Territory

Township 16 South, Range 21 East  
Sections 8, 16, 17 and 21

In all or parts of Township 16 South, Range 21 East, Sections 8, 16, 17 and 21. The NE 1/4 of the NE 1/4 of Section 21, Township 16 South, Range 21 East, Marion County, Florida.

AND

Section 16, Township 16 South, Range 21 East, Marion County Florida, and that part of Sections 8 and 17, Township 16 South, Range 21 East, Marion County, Florida, lying South and East of State Road 200.

EXCEPT: The South 1/2 of the SE 1/4 of Section 17, Township 16 South, Range 21 East, Marion County, Florida.

AND EXCEPT: The South 1/2 of the SE 1/4 of the SW 1/4 of Section 17, Township 16 South, Range 21 East, Marion County, Florida.

AND EXCEPT – DEER CREEK AND SOUTH EXCEPTION

The West 1/2 of the SW 1/4 of Section 17, Township 16 South, Range 21 East, Marion County, Florida.

AND EXCEPT – MARION LANDING EXCEPTION

From the SW Corner of the SE 1/4 of Section 8, Township 16 South, Range 21 East, Marion County, Florida, and the Point of Beginning; run North 00°19'46" East, a distance of 859.77 feet to a point on the Southeasterly Right-of-Way line of State Road 200; thence North 41°47'57" East, along said Right-of-Way line for a distance of 1,017.47 feet to a point; thence South 00°26'05" West, a distance of 1,621.43 feet to a point on the South line of the SE 1/4 of said Section 8; thence continue South 00°26'05" West, a distance of 1,323.60 feet to a point; thence South 89°43'37" East, a distance of 651.34 feet to a point; thence South 89°43'47" East, a distance of 1,377.18 feet to a point; thence South 00°26'43" West, along a line parallel to and 40.00 feet West of the East line of the SW 1/4 of said Section 17, for a distance of 1,321.50 feet to a point on the South line of the North 1/2 of the South 1/4 of said Section 17; thence South 89°59'04" West, along said South line for a distance of 2,637 feet plus or minus to a point; thence South 89°59'04" West, a distance of 290.40 feet to a point; thence North 00°31'41" East, a distance of 1,995.16 feet to a point; thence North 89°45'19" East for a distance of 290.40 feet to a point, thence North 00°31'41" East, along the West line of the East 1/2 of said Section 17, for a distance of 1,987 feet plus or minus to the Point of Beginning. All lying and being in Marion County, Florida.

**FLORIDA PUBLIC SERVICE COMMISSION  
authorizes  
Windstream Utilities Company  
pursuant to  
Certificate Number 427-W**

To provide water service in Marion County in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
10623	02/24/82	810478-W (AP)	Original Certificate
24375	04/17/91	900455-WU	Amendment
24435	04/25/91	900311-WU	Amendment
PSC-94-0082-FOF-WU	01/24/94	900496-WU	Amendment
PSC-97-1334-FOF-WU	10/27/97	960867-WU	Amendment
PSC-01-0950-CO-WU	04/17/01	001450-WU	Amendment
PSC-05-0767-FOF-WU	07/25/05	050272-WU	Amendment
*	*	140149-WU	Transfer/Amendment

**\*Order Number and date to be provided at time of issuance.**